

South Somerset District Council

Minutes of a meeting of the **Audit Committee** held at the **Council Chamber B, Council Offices, Brympton Way, Yeovil BA20 2HT on Wednesday 30 September 2015.**

(10.00 am - 11.20 am)

Present:

Members: Councillor Derek Yeomans (Chairman)

Jason Baker	Tony Lock
Mike Beech	Graham Middleton
Mike Best	David Norris
Val Keitch	Colin Winder

Officers

Donna Parham	Assistant Director (Finance & Corporate Services)
Amanda Card	Finance Manager
Jo Boucher	Democratic Services Officer

Also Present:

Elizabeth Cave	Director, Grant Thornton UK LLP
Ashley Allen	Manager, Grant Thornton UK LLP

31. Minutes (Agenda Item 1)

The minutes of the meeting held on 27th August 2015, copies of which had been circulated, were taken as read, and having been approved as a correct record were signed by the Chairman.

32. Apologies for absence (Agenda Item 2)

Apologies were received from Councillor Carol Goodall.

33. Declarations of Interest (Agenda Item 3)

Councillor Derek Yeoman declared a personal interest in Item 5 Annual Statement of Accounts 2014/15 as he is a member of the Somerset County Council Pension Fund.

34. Public question time (Agenda Item 4)

There were no questions from members of the public.

35. 2014-15 Annual Statement of Accounts (Agenda Item 5)

The Finance Manager presented the 2014/15 Annual Statement of Accounts for approval by the Audit Committee.

She explained to members exactly how the Statement of Accounts were prepared which included following the CIPFA code and highlighted the four main statements. This included:

- Movement in reserves Statement (MiRS) analysed into 'usable' and 'unusable' reserves
- Comprehensive Income and Expenditure Statement (CIES) which shows the accounting costs in the year of providing services
- Balance Sheet
- Cashflow Statement

In response to a question, the Finance Manager explained to members the changes in the Local Government Pension Scheme from April 2016 and the potential financial impact on the Local Authority and its employees.

The Assistant Director Finance and Corporate Services reiterated the above point and simplified the figures included within the Statement of Accounts and highlighted what the future liabilities the Authority would be to pensioners as of 31st March 2015 (whether current or future).

Having examined the document and commented on the information presented, the 2014/15 Annual Statement of Accounts was approved by the Committee by the Chairman signing and dating the balance sheet.

The Chairman, on behalf of the Audit Committee, thanked the Assistant Director Finance and Corporate Services, the Finance Manager and the Finance Team for their excellent work.

RESOLVED:

- (a) The 2014/15 Statement of Accounts be approved. (A copy of the Statement of Accounts had been circulated separately with this agenda.)
- (b) The unqualified opinion on the financial statements be noted.
- (c) That the Assistant Director (Finance and Corporate Services) be authorised to sign the Letter of Representation.

(voting: unanimous)

36. Summary Statement of Accounts 2014-15 (Agenda Item 6)

The Finance Manager presented the report requesting comments on the 2014/15 Summary of Accounts which would now be available on the Internet and at Local Council offices.

The Chairman commented that the Summary Statement of Accounts was now a simple, clear and easy to read document covering most aspects of the Council's 2014/15 Statement of Accounts.

In response to a question, the Finance Manager explained to members that the precepts paid to Town and Parishes, were also included in the monies collected from Council Tax.

Members were content that the 2014/15 Summary of Accounts be approved for publication.

RESOLVED: That the 2014/15 Summary of Accounts be approved for publication.

37. 2014-15 Audit Findings Report (Agenda Item 7)

The Director - Grant Thornton presented the report that summarised the findings from the 2014/15 work of the Audit Commission relating to governance, as detailed in full in the agenda. She explained the report outlining overall the risk criteria and the authority as having adequate arrangements to meet the requirements of IFRS (International Financial Reporting Standards). She also referred to the 'amber' assessment regarding the authorities suggested areas for development including:

- The process of the revaluations of the Council's Assets and the existing five year rolling programme. She noted the Council's position and the District Valuer advice that there have been no significant changes in values in recent years however consideration should be given in the near future to agree a way forward to meet the CIPFA requirement.
- To increase the Council's target council tax collection rate for improved collection in the next few years which is a reduction from previous years and still below other districts both regionally and nationally.

She highlighted that an objection to the accounts for 2014/15 had been received and explained that the audit could not be determined until the complaints had been dealt with. In agreement with the Director, Grant Thornton the Assistant Director (Finance & Corporate Services) confirmed for transparency the cost of this additional provision would be included in the fees for other services.

Members were content to approve the recommendations.

RESOLVED:

That the Audit Committee:

1. Considered the matters raised in the report;
 2. Noted the audit findings as outlined in Section two of this report.
 3. Noted the Value for Money criteria has been met.
 4. Agreed the recommended actions in Appendix A.
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38. Audit Committee Forward Plan (Agenda Item 8)

The Chairman confirmed that the Audit Committee scheduled to be held on Thursday 22nd October would be cancelled. Therefore the next meeting will take place on 26th November 2015.

The Assistant Director (Finance & Corporate Services) wished members to note that that Authority currently held an investment bond with Volkswagen International Finance in light of the recent allegations of manipulation of emission test results.

Members were content to note the forward plan.

NOTED

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Chairman